

# Memorandum

Date : September 27, 2001

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To : Robert Pernell, Commissioner and Committee Presiding Member File: Potrero\_SR7.doc  
William J. Keese, Chariman and Committee Associate Member

From : California Energy Commission - Kevin Kennedy  
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Subject : POTRERO POWER PLANT UNIT 7 PROJECT (00-AFC-4) STATUS REPORT NO. 7

## SCHEDULE

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Following the Committee Status Conference held in San Francisco on August 13, 2001, the Committee issued an Interim Scheduling Order on August 24 that requires Staff to file its Final Staff Assessment (FSA) for this case by October 31, 2001. Staff is continuing to work on completing its analysis of the project and its impacts. Staff expects to meet this schedule, though this will require timely resolution of a number of outstanding issues, as discussed below. Staff expects to address in the FSA the key issues that were discussed in staff's Status Report 6, which it filed on July 10.

The Interim Scheduling Order also required this status report to be filed by September 20. This status report has been delayed because the project manager, Marc Pryor, was called to active duty with the Coast Guard as part of the military mobilization following the terrorist attacks on September 11. Kevin Kennedy will act as project manager until Marc returns. Kevin can be reached by phone at (916) 651-8836, or by email at [kkennedy@energy.state.ca.us](mailto:kkennedy@energy.state.ca.us).

## ISSUES

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### **AIR QUALITY**

Bay Area Air Quality Management District (BAAQMD) staff currently expects to release the Final Determination of Compliance (FDOC) in mid-October. Energy Commission staff will need the FDOC to complete its FSA section on Air Quality. If the FDOC is not available by mid-October, staff may not be able to complete the FSA on time. Staff will report in its next Status Report whether the FDOC has been received.

### **TRANSMISSION SYSTEMS ENGINEERING**

The Applicant has stated that the transmission line connecting this project to the Hunters Point substation is no longer part of the project. In its Data Response 212, the Applicant provided staff a copy of a letter from Hetch Hetchy. In this letter, Hetch Hetchy stated that it plans to construct two 115 kV circuits between the

Potrero and Hunters Point switchyards that will be adequate for connecting the Potrero Unit 7 project to the electrical transmission system. On initial evaluation of the information provided in the AFC and the data response, and the letter from Hetch Hetchy, staff believes that these new transmission lines are being constructed to increase the reliability of delivering power from the Potrero Unit 7 project to the transmission system. Therefore, for the purposes of its CEQA analysis, staff will continue to consider the transmission connection between Potrero and Hunters Point a part of the project whether the construction of the line is completed by the Applicant, Hetch Hetchy, PG&E or another party. Staff will continue to investigate this matter.

The Applicant has also requested a new System Impacts Study from PG&E. Staff will need to review the results of this study in order to complete the Transmission System Engineering and the Local System Effects sections of the FSA. The Applicant has informed staff that a draft version of the System Impacts Study should be available by October 12. A delay in receiving the draft study or study results that require substantial additional analysis by staff could affect staff's ability to file the FSA on time. Staff currently anticipates being able to meet the October 31 deadline for the FSA if the information is provided on the current schedule.

### ***COOLING ALTERNATIVES***

At the PSA workshop in June 2001, the applicant agreed to provide information regarding alternatives to its proposed use of bay waters for power plant cooling. This information has been received. Staff will consider this report and will conduct its own independent analysis of cooling alternatives in the preparation of the FSA.

### ***BAY CONSERVATION AND DEVELOPMENT COMMISSION REVIEW***

The Bay Conservation and Development District (BCDC) is reviewing this project. BCDC staff has prepared a Project Summary for BCDC consideration at its meeting on October 4. BCDC staff is also preparing a set of preliminary recommendations for BCDC consideration. BCDC expects to provide these recommendations to Energy Commission staff in time for consideration in the preparation of the FSA. BCDC staff has expressed concern that a full analysis of the project will require review of information in the FSA, including the Energy Commission's review of the feasibility and impacts of alternatives to the Applicant's planned use of once-through cooling for the project. Energy Commission staff will consider the BCDC preliminary recommendations in the FSA, and anticipates that BCDC will submit its final recommendations as comments on the FSA.